



State of Utah

Department of
Environmental Quality

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DIVISION OF ENVIRONMENTAL
RESPONSE AND REMEDIATION
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Dear UST Owner/Operator:

As an owner or operator of underground storage tanks (USTs), you have a significant potential liability for personal injury and damage to property. Leaking USTs may cause serious threats to human health and the environment. Federal and State regulations require that owners and operators take steps to prevent UST releases, and show they have the ability to pay cleanup costs and third-party damage claims when leaks do occur.

The Utah UST Act requires that owners and operators of regulated petroleum USTs qualify their tanks for and receive a Certificate of Compliance, and keep the tanks in substantial compliance with all UST regulations. One of the requirements for obtaining a certificate is to participate in the Utah Petroleum Storage Tank Trust Fund (PST Fund) or show financial responsibility by one of the other mechanisms allowed by the federal UST regulations.

To receive a Certificate of Compliance, you must do the following:

1. Register the tanks with the Division of Environmental Response and Remediation (DERR), using the form *Notification for Underground Storage Tanks*. The installer must sign the form to certify a proper installation.
2. Pay the UST Registration fee for each tank.
3. Submit a completed *Financial Responsibility Declaration* form and meet the requirements for coverage under the PST Fund or another allowable Financial Responsibility mechanism. You must meet all requirements for coverage under your chosen mechanism before you operate the USTs. The requirements are explained in the following pages.
4. Conduct a tank and line tightness test for all tanks. **To receive fuel for the test, you must contact the DERR office at (801) 536-4100 for authorization of a one-time delivery.** The DERR will need to know the date of delivery and the name of the company who will deliver the fuel.
5. Submit a completed *Previous Pollution Incidents* form to indicate whether you have had any petroleum releases at the facility.

After you have completed all the steps required to qualify for a Certificate of Compliance, return the completed forms, documentation, and the appropriate tank fees to the DERR UST section at the above address. Timely completion of the needed forms and other requirements will facilitate the process and help you avoid loss of the use of your tanks. The Utah Underground Storage Tank Act (Utah Code Ann. 19-6-401 et seq.) requires that a Certificate of Compliance be issued for new tanks before they are put into use.

If you have questions, please contact the **DERR UST Section** at (801) 536-4100.

Obtaining a Certificate of Compliance

WHAT IS REQUIRED?

All regulated petroleum underground storage tanks (USTs) in Utah are required to have a Certificate of Compliance. It is a violation of state statutes to operate these USTs without a certificate. New tanks must have a certificate before being put into operation. Fines may be assessed if product or other regulated substance (including waste oil) is delivered to or placed into an UST which does not have a Certificate of Compliance.

HOW DO I GET A CERTIFICATE?

1. Register the USTs using *Notification for Underground Storage Tanks*, EPA Form 7530-1. The notification must be complete with the owner's signature and must include the tank installer's signature certifying that the USTs meet all state and federal requirements for proper installation.

2. Pay the Registration Fee of \$100 per tank for USTs participating in the Petroleum Storage Tank Trust Fund (PST Fund), or \$200 per tank for USTs using another allowable financial responsibility mechanism.

3. Conduct a tank and line tightness test and submit a complete copy of the results (including field notes, measured leak rate, and other technical data) to the Division of Environmental Response and Remediation (DERR). The tightness tests must be conducted by a Utah certified UST Tester. To request a one-time delivery of fuel for testing, contact the DERR at (801) 536-4100.

4. Submit the *Previous Pollution Incidents* form. If you participate in the PST Fund, failure to report previous releases could void your coverage. Payment of any clean-up costs from previous releases is your responsibility.

5. Submit the *Financial Responsibility Declaration* and declare whether you will participate in the PST Fund or demonstrate financial responsibility for your USTs by another mechanism. For additional information on financial responsibility, please refer to *Demonstrating Financial Responsibility* on the following page.

If you choose to participate in the PST Fund you must:

- Submit a completed ***PST Fund Application*** and indicate the financial assurance mechanism you will use for your share of eligible cleanup costs not covered by the Fund.
- Pay the PST Fund fee. Pay \$50 per tank for USTs installed at new facilities. If an UST is installed at a facility with existing USTs, pay the rate assessed to these USTs for the current fiscal year, either \$50 or \$150 per

tank. If the new UST is a replacement for a previously-existing UST, the PST Fund fee paid for the original tank can be applied to the new UST.

If you choose to demonstrate financial responsibility by another mechanism you must:

- Submit documentation for each mechanism you will use. The document must conform to the format and wording specified in 40 CFR 280 subpart H. The state UST rules (R311-206) have additional requirements for some mechanisms. The mechanism must be approved by the DERR before the Certificate of Compliance can be issued. The documentation should be submitted several weeks in advance of the time the tanks will go into service to allow for the approval process.
- If the alternate mechanism has not yet been approved for other USTs, pay the process fee of \$420 for each mechanism document submitted. If the mechanism has already been approved, pay the process fee of \$240 if it has not already been paid for the current fiscal year.
- The documentation for each financial responsibility mechanism used must be updated and resubmitted with a renewal process fee each fiscal year.

Submit the forms and other required information to:

Division of Environmental Response and Remediation
168 North 1950 West
PO Box 144840
Salt Lake City, Utah 84114-4840

MAINTAINING COMPLIANCE

- **Release detection is required** for all petroleum USTs except emergency generator tanks. Any release indicated by tightness tests, leak detection results, or unusual operating conditions must be reported to the DERR within 24 hours. Leak detection results as well as installation and maintenance documentation must be maintained and be readily available for inspection upon request. Your Certificate of Compliance can be revoked for non-compliance with these requirements.
- **Pay annual UST Registration fees and PST Fund fees by the due dates.** If fees are not paid on time, penalties and interest are assessed. If any amounts due remain unpaid 60 days after the due date, the Certificate of Compliance and/or ability to receive payments for claims against the PST Fund automatically lapse. If either one lapses, you will be required to perform a tank and line tightness test and a site assessment to re-qualify. 02/03

Demonstrating Financial Responsibility

WHAT IS FINANCIAL RESPONSIBILITY?

State and Federal underground storage tank (UST) regulations require that owner/operators of regulated petroleum USTs demonstrate financial responsibility to show they can pay the costs of cleanups and third-party claims for leaks from USTs.

The amount of financial responsibility you must have depends on the type of business you operate, the yearly throughput of each facility, and the number of tanks you own. The following table shows the amounts required:

WHO	THROUGHPUT OF FACILITY	PER OCCURRENCE COVERAGE REQUIRED	AGGREGATE COVERAGE REQUIRED
PETROLEUM MARKETER	ANY THROUGHPUT	\$1,000,000	\$1,000,000 IF YOU OWN 100 OR FEWER TANKS
PETROLEUM NON- MARKETER	10,000 GALLONS OR LESS MONTHLY	\$500,000	OR
PETROLEUM NON- MARKETER	MORE THAN 10,000 GALLONS MONTHLY	\$1,000,000	\$2,000,000 IF YOU OWN MORE THAN 100 TANKS

- Marketing facilities (service stations, truck stops, and others involved in petroleum refining, production, or marketing) must have \$1 million of "per occurrence" coverage. This is the amount that must be available to pay the costs of one petroleum release. Non-marketing facilities must have the same amount of per occurrence coverage unless they have a monthly throughput of 10,000 gallons or less. In this case, the per occurrence coverage amount is \$500,000.
- UST owner/operators must also have coverage for an annual aggregate amount. This is the amount that you must have to cover all leaks that might occur in one year. The amount of aggregate coverage depends on the number of tanks you have: \$1 million if you have 100 or fewer tanks, \$2 million if you have more than 100 tanks.

HOW TO SHOW FINANCIAL RESPONSIBILITY

Owner/operators of regulated petroleum USTs in Utah may show financial responsibility by participating in the Utah Petroleum Storage Tank Trust Fund (PST Fund) or by using one of the other methods allowed by the Federal UST regulations (40 CFR 280, subpart H).

Petroleum Storage Tank Trust Fund

The PST Fund pays most of the cleanup costs of covered releases up to the limits required by the federal regulations. The responsible party pays the first \$10,000 (in some cases \$25,000)

of eligible cleanup costs and the Fund pays the remaining eligible costs up to the limits required by the Federal regulations. Any costs over these limits must be paid by the responsible party.

UST owner/operators who participate in the Fund pay an annual Petroleum Storage Tank Fund fee based on the yearly throughput for each facility.

Other Methods

For those who do not participate in the Fund, the Federal UST regulations allow several options for demonstrating financial responsibility. Each one is described in detail in 40 CFR Part 280, subpart H. The state UST rules (R311-206) have additional requirements. Some of the allowed methods are:

Insurance coverage. Insurance may be available from a private insurer or a risk retention group.

Letter of credit. A letter of credit is a contract involving you, an issuer (usually a bank), and a third party (such as the implementing agency) that obligates the issuer to help you demonstrate your financial responsibility.

Self-insurance. If your firm has a tangible net worth of at least \$10 million, you can show financial responsibility by passing one of two financial tests.

Trust fund. You may set up a fully-funded trust fund administered by a third party to demonstrate financial responsibility.

Guarantee. You may secure a guarantee for the coverage amount from another firm with whom you have a substantial business relationship. The provider of the guarantee must pass a financial test.

If you show financial responsibility by one of these alternative methods, you will be required to pay a yearly processing fee and submit documentation of your method each year.

You may use a combination of methods to demonstrate financial responsibility. The methods you choose must cover costs of both corrective action and third-party liability, and must add up to the amount of coverage you are required to demonstrate.

Keep In Mind:

- If you use another financial responsibility mechanism, then later decide to participate in the PST Fund, you will be required to perform a tank and line tightness test and a site assessment (including soil and/or groundwater samples) for all tanks before the tanks can participate in the PST Fund, as specified in the Utah UST Act, UCA 19-6-428.
- If you choose to participate in the PST Fund, all tanks located at the same facility, including above ground tanks and unregulated USTs may be required to participate.

Demonstrating financial responsibility is one requirement for receiving a Certificate of Compliance. If you use a mechanism other than the PST Fund, you must meet all Federal and State requirements for the mechanism before you receive a Certificate of Compliance.

**PETROLEUM STORAGE TANK
FINANCIAL RESPONSIBILITY DECLARATION**

FACILITY ID# _____

FACILITY OWNER: _____

FACILITY NAME: _____

FACILITY ADDRESS: _____

Check Only One:

☐ **I choose to participate in the Petroleum Storage Tank (PST) Trust Fund**

- Submit this Financial Responsibility Declaration form and obtain a Certificate of Compliance before the tanks are put into service.
- All petroleum storage tanks located at the facility, including non-regulated underground tanks and above-ground tanks, may be required to participate in the PST Trust Fund.
- Indicate the number of above-ground petroleum tanks at this facility _____
- Indicate the number of non-regulated underground petroleum tanks at this facility _____

☐ **I choose another Financial Responsibility Mechanism**

- The financial responsibility mechanism to be used is _____
- Submit acceptable financial responsibility documents using the format and exact wording specified in 40 CFR Part 280 Subpart H for the chosen mechanism; **or** if this mechanism has already been approved for other facilities for the current year, submit an amended list of the facilities covered by this method and check here: ☐
- Submit the alternate mechanism processing fee: \$420 for a new mechanism not previously approved.
- Submit this Financial Responsibility Declaration form and obtain a Certificate of Compliance before the tanks are put into service.
- Indicate your Company's Fiscal Year ending date _____
- Name of the person authorized by the owner or operator to demonstrate financial responsibility as required by Utah Admin. Code R311-206-2(d).

Name of person authorized by owner or operator

Print name of owner/operator or
authorized representative

Title

Phone

Signature

Date

FACILITY ID# _____

PETROLEUM STORAGE TANK FUND APPLICATION

OWNER OF TANKS

Owner Name _____
Address _____
City _____
County _____
State _____ Zip Code _____
Phone _____
Contact Person _____

LOCATION OF TANKS

Facility Name _____
Address _____
City _____
County _____
State _____ Zip Code _____
Phone _____
Contact Person _____

TYPE OF FACILITY

- ☐ Marketer, or non-marketer with facility average monthly throughput greater than 10,000 gallons.
☐ Non-marketer with facility average monthly throughput less than 10,000 gallons (must verify).

DESCRIPTION OF UNDERGROUND STORAGE TANKS

Tank #						
Install Date						
Capacity						
Substance Stored						

TANK/LINE TIGHTNESS TEST

Tank #						
Pass/Fail						

CERTIFICATE OF REGISTRATION

- ☐ All Underground Storage Tanks (USTs) at this facility have been registered.
☐ All UST registration fees and Petroleum Storage Tank Fund Fees have been paid.

COMPLIANCE WITH UST REGULATIONS

Are your USTs currently in compliance with all Federal, State, and Local UST regulations?

- ☐ Yes ☐ No If "No" please describe items of non-compliance:

PREVIOUS POLLUTION INCIDENTS

Has a pollution incident ever occurred at your facility?

- ☐ Yes If "Yes" please provide LUST (Leaking Underground Storage Tank) information on the *Previous Pollution Incidents* form.
- ☐ No If "No" please attach a letter or complete the *Previous Pollution Incidents* form to state that under customary business inventory practices standards you are not aware of any release from any tank(s) at this facility.

INDEPENDENT FINANCIAL ASSURANCE

- ☐ I have met the financial responsibility requirement for my share of eligible cleanup costs by the following method:
- | | | |
|---|---|--------------------------------------|
| <input type="checkbox"/> Self Insurance | <input type="checkbox"/> Commercial Insurance | <input type="checkbox"/> Trust Fund |
| <input type="checkbox"/> Risk Retention Group | <input type="checkbox"/> Letter of Credit | <input type="checkbox"/> Other _____ |

I certify under penalty of law that the above representations made by me are true and correct.

Owner/Operator Signature _____ Date signed _____

Facility ID# _____

This letter, or an equivalent, must be signed and submitted as a requirement for receiving a Certificate of Compliance.

PREVIOUS POLLUTION INCIDENTS

To: Mr. Brad T Johnson
Executive Secretary (UST)
Utah Solid & Hazardous Waste Control Board

Dear Mr. Johnson:

As required by paragraph 19-6-413 of the Utah Underground Storage Tank Act, I have performed a tank and line tightness test on each tank at my facility. Based on this test, there has not been a release of petroleum. Additionally, based on "customary business inventory practices standards" I am not aware of any release of petroleum from my tanks.

signature of owner/operator

Or, if a release is known to have occurred at this facility:

I have had the following releases of petroleum (detailed below; also indicate the actions you have taken to clean up the release):

signature of owner/operator

Failure to report previous releases could invalidate your Certificate of Compliance.